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QUALIFICATIONS NEEDED FOR PUBLIC UTILITY COMMISSIONERS

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This paper considers (a) the qualifications which are needed for public utility commissioners and (b) the manner of obtaining the needed qualifications. Under the first division are examined the qualifications prescribed by the various commission laws; the effectiveness of these requirements in obtaining men of the right caliber for the positions is discussed; conclusions are drawn from the discussion and from general observations regarding the responsibilities of the positions.

Under the second division are considered the manner of selecting commissioners, terms of office, salaries, political interference, facilities afforded commissions, educational helps and sustained public interest. The extent to which legislation can assist in procuring the needed qualifications is discussed.

A. QUALIFICATIONS NEEDED

Qualifications Prescribed by Statute

Most of the public utility commission laws prescribe some qualifications. The laws¹ are by no means uniform and in the aggregate they cover a wide range.

1. *Oath.* It is generally required that commissioners shall take and subscribe to the constitutional oath of office and such other oaths as may be prescribed by law.

¹ For a comprehensive analysis of the statutory provisions with full citations up to 1913, see *Commission Regulation of Public Utilities*. The National Civic Federation, New York, 1913. Oath of office, p. 74; age, political condition, geographical location, previous experience, bond, bi-partisan requirement, pp. 65-73; general disqualifications for interest, pp. 79, 86; special disqualifications for interest ¶ 3712, 3723, 3738, 3745, 3751, 3766, 3770, 3780. See also subsequently enacted public service commission laws of Pennsylvania, West Virginia, Indiana, Illinois, Missouri, Idaho and Montana.

2. *Age.* Where age qualifications are prescribed, prospective members must be 25² or 30³ years of age.

3. *Political Condition.* Persons appointed or elected to commissions are required to be qualified electors,⁴ qualified voters,⁵ citizens of the United States⁶ or of the state⁷ or reputable and competent citizens.⁸ They must be resident citizens in some states.⁹ In others they must have been citizens for two years,¹⁰ or residents of the state for two years¹¹ or for five years.¹²

4. *Bi-partisan Requirement.* Some of the statutes¹³ provide that no more than the number equal to a scant majority of the commissioners shall be members of the same political party.

5. *Geographical Location.* In some states members are chosen from congressional,¹⁴ special commission,¹⁵ supreme court¹⁶ or other¹⁷ districts. In such cases the persons selected must be residents of the districts for which they are chosen.

6. *Previous Experience.* In Georgia¹⁸ one commissioner must be experienced in law and one in railroad business. In Kansas one is required to be a practical, experienced business man and one experienced in the management or operation of a common carrier or public utility. In Maine¹⁹ the chairman must be learned in law. Of

² Arkansas, Maryland, Missouri, North Dakota, South Carolina, South Dakota, Tennessee and Texas.

³ Georgia, Kentucky, Nebraska, New Jersey, Oklahoma and Pennsylvania.

⁴ Alabama, Arizona, California, Connecticut, Georgia, Kansas, Montana, North Dakota, Pennsylvania, Rhode Island and South Dakota.

⁵ Arkansas, Maryland, Missouri, Nebraska, Oklahoma, Tennessee, Texas.

⁶ North Dakota, South Dakota.

⁷ New Jersey, Virginia.

⁸ South Carolina Public Service Commission.

⁹ Arkansas, Massachusetts, Nebraska and Texas.

¹⁰ Kentucky.

¹¹ Oklahoma, Pennsylvania, South Dakota and Tennessee.

¹² Maryland, Missouri.

¹³ United States, Illinois, Indiana, Kansas, Nevada, Ohio.

¹⁴ Alabama, Arkansas, New Mexico.

¹⁵ Louisiana, New York, Oregon.

¹⁶ Mississippi.

¹⁷ Kentucky, South Dakota.

¹⁸ Commission has jurisdiction over railroad, express, street railroad, dock, wharfage, terminal station, telephone, telegraph, gas and electric light and power utilities.

¹⁹ The commission is strictly a railroad commission.

the two associates one is a civil engineer experienced in the construction of railroads and the other is experienced in the management and operation of railroads.²⁰ One member of the Michigan Railroad²¹ Commission is required to be an attorney having knowledge of and being experienced in the law relating to common carriers while the other two have knowledge of traffic and transportation matters. In Nevada²² the chief commissioner must be an attorney at law and well versed in the law of railroad regulation, while the first associate must be a practical railroad man familiar with the operation of railroads in general, and the second associate commissioner have a general knowledge of railroad fares, freights, tolls and charges. In Ohio and Wisconsin one member must have a general knowledge of railroad law and each of the other two members a general understanding of matters relating to railroad transportation.²³

7. *Bond.* In some states members of commissions are obliged to give bonds in amounts ranging from \$1,000 to \$20,000.²⁴

8. *Special Disqualification for Interest.* The provisions relating to the capacity of commissioners to participate in particular proceedings are substantially the same in all the statutes in which they occur. The act to regulate commerce provides that no commissioner shall participate in any hearing or proceeding in which he has any pecuniary interest.²⁵ The constitution of New Mexico provides that no member of the commission shall be qualified to act

²⁰ It is significant that the salary provided for the chairman is \$2,500 per year while that of the two associates is \$2,000 each.

²¹ Commission has jurisdiction over railroad, express, electric transmission and telephone utilities.

²² Commission was established as a railroad commission. Subsequently it became *ex officio* the public service commission. No change was made in the qualifications for commissioners.

²³ Each of these commissions has extended jurisdiction over utilities other than railroads. The Wisconsin commission has jurisdiction over municipalities.

²⁴ Illinois, Indiana, Kansas, Minnesota, Montana, North Dakota, Oregon, South Carolina (Public Service Commission), South Dakota, Tennessee and Washington.

²⁵ Act to regulate commerce, as amended, sec. 17. See also *Iowa Code 1897*, sec. 2142; *Minnesota rev. laws 1905*, sec. 1955; *Montana rev. codes 1907*, sec. 4363; *North Dakota rev. codes 1905*, sec. 4362; *Pennsylvania public service company law, 1913*, art. iv, sec. 12; *South Dakota rev. pol. code 1903*, sec. 192.

on any matter pending before the commission in which he is interested, either as principal, agent or attorney.²⁶

9. *General Disqualification for Interest.* General disqualifications are imposed for interest in (a) public utilities, (b) other public or private offices, and (c) political activity.

a. In some jurisdictions it is provided that no person employed by or connected with, or holding any official relation to, or owning bonds or stock of, or having any direct or indirect or pecuniary interest in any public utility, shall be eligible to enter upon the duties or fill the office of commissioner. In some cases the prohibition extends only to such relations with public utilities under the jurisdiction of the commission. In others, it extends to all public utilities of the kind over which the commission has jurisdiction.

b. The prohibition frequently occurs that no member of a commission shall engage in any other business, employment or vocation, or hold any other political office. It is variously expressed in the different statutes. The Wisconsin law provides that each commissioner shall devote his entire time to the duties of his office.²⁷ The Nevada statute provides that these limitations and restrictions shall not apply to the second associate member, but it is provided that no commissioner shall be a member of any political convention or a member of any committee of any political party.²⁸

c. The recently enacted (1913) public utilities act of Idaho contains a stringent restriction against political activities of commissioners. It provides as follows:

No commissioner shall, directly or indirectly, while he is a member of said commission, take any part in politics by advocating or opposing the election, appointment or nomination of any person or persons to any office in the state of Idaho, excepting under officers in the commission, nor shall any commissioner seek appointment or election or nomination for any civil office in the state of Idaho, other than commissioner, while he is a member of said commission nor shall any commissioner seek appointment, nomination or election to any civil office in the state of Idaho, other than that of commissioner, for a period of two years, from the date of the expiration of his term or after his resignation or removal from said office.²⁹

²⁶ Art. xi, sec. 3.

²⁷ *Laws 1907*, ch. 582, sec. 1797-1 (d).

²⁸ *Stats. 1907*, ch. 44, sec. 1, as amended by *Stats. 1911*, ch. 193.

²⁹ Sec. 7.

Discussion of Statutory Qualifications

Some of the qualifications prescribed by statute may be dismissed with scant consideration. The age requirement seems to have little practical value. The giving of a bond for the faithful performance of his duties is no assurance to the public that a commissioner will prove satisfactory and successful. The oath of office has a recognized place in our political system and no special significance attaches to its use in this connection.

The requirements relating to political conditions and geographical location would seem to serve little purpose. Citizenship in state or nation is no guarantee of faithful and efficient public service. Residence in the state at the time of elevation to office or for a prescribed period prior thereto has no practical meaning. Theoretically, at least, the best available men in the country or in the world should be eligible to these positions. Practically, a popular aversion to selecting non-residents for lucrative public offices seems to exist; it is a factor to be reckoned with.

Geographical location is an indefensible qualification except in such a case as New York, where two commissions are established with mutually exclusive territorial jurisdictions.³⁰ No unit of representation should be employed in a commission smaller than the general unit of territorial jurisdiction of the commission. The problems are state problems, or, in the case of the Interstate Commerce Commission, national. Organization of a commission on any other basis might easily result in the playing off of one section against another. Particularly would this be likely to occur in the case of such services as those of railroads, telephones, telegraphs and express, which are conducted in all parts of states and the nation.

General disqualification for pecuniary or other interest in public utilities is much debated. If it is approved, no occasion exists for the special disqualification to participate in proceedings in which the commissioner has a pecuniary or other interest. The two provisions seem to be mutually exclusive.

In favor of the interest disqualification to hold office, the following points may be urged: Pecuniary or other personal interest is

³⁰ Even in New York, however, the separation of territorial jurisdiction has ceased to be complete. In 1910 the legislature conferred on the second district commission jurisdiction over telephone companies in the first district.

opposed to public and private morals; a close parallel to the judiciary exists; but while judges, when unable to sit in a particular case, can call in other judges, no such opportunity is available for commissioners; the duty of regulating public utilities is continuous and is not confined to deciding contested cases.

Arguments in favor of the special disqualification and opposed to the general one may be summarized as follows: Commissioners should be men of substance; it is an unreasonable restriction to exclude a member of a commission from the very large field of investment in public utility securities; no possible injustice can occur if members are not allowed to participate in proceedings in which they have a personal interest; if necessary, provision may be made for special commissioners in cases of special disqualification.

Popular prejudice rather than reason probably has done much to affect the statutes on the subject. Because of the continuing nature of public utility regulation with respect to its incidence on the subjects of regulation, however, as contrasted with judicial administration of law, the general disqualification probably is wiser than the special disqualification to sit in proceedings in which an interest is held.

The statutory prohibitions of political activity recognize a sound principle. It is doubtful, however, whether they can be depended upon to accomplish their purpose. Political interference can not be legislated out of existence. In spite of statutory prohibitions it will exist just so long as it is countenanced by public opinion. Accordingly, no great reliance can be placed upon prohibitive statutory provisions.

Provision for bi-partisan boards probably is wholesome. It conforms to traditions of party government and is applied to courts which are appointive.

Manifestly, a member of a commission should occupy no other public office. This rule may work apparent hardship in some cases, as for instance, membership on school and other boards where the reward is in the honor rather than in the remuneration. Unless exceptions to the general rule are carefully made, however, it would seem that they should be avoided altogether. Most of the commissions are so burdened that their members are unable to engage in any other business.

The provision of the Idaho statute previously quoted is extreme in its limitation on certain fundamental rights of citizenship. It

would seem unnecessary to prevent a member of the commission from taking an interest in elections or even in appointments. Here the state is bordering dangerously on disfranchisement. Of course, there is a line beyond which the sense of propriety is shocked. This line may be hard to define and in the final analysis public opinion rather than statutory enactment should be relied upon to protect the public interest. The prohibition against "seeking" a public office other than that of commissioner within two years after being out of the office would seem to be unreasonably stringent as well as practically futile.³¹

Does previous experience afford an adequate test of fitness? We have seen that several of the states prescribe such qualifications. They are based on what may be called a division of authority conception of the organization of a commission. Both as a statutory requirement and as a rule of convenience for the appointing power, this conception has many adherents.

The chief arguments in favor of the experience qualifications may be summarized as follows: Successful administration of commission laws requires high ability; the problems are of a technical nature; members of the commission should possess those high qualifications which go only with long experience and recognized standing.

Briefly summarized, the opposing arguments seem to be as follows: Admitting the technical nature of the problems of regulation, opponents of the theory believe that the required proficiency can be had better through staffs of experts regularly or specially retained; a commission of three, five or seven members is not large enough to enable all branches of special knowledge and training to be represented by members; the commission is an entity, not an aggregate of individual units, and each member must be held fully responsible for every action of the commissions; neither membership nor high standing in one of the specified professions or callings is a certain guarantee of fitness for the peculiar duties of a commissioner; the vital questions of commission regulation lie in the province of no single profession or calling but belong in the broad field of the social sciences.

³¹ See also Pennsylvania public service company law, art. iv, sec. 12, which provides that no commissioner shall during his term be a candidate for any other appointive or elective office of the commonwealth or any municipality thereof.

No question before commissions of the country today is of more importance than valuation.³² We refer to valuation in a broad sense, of which reproduction value, original costs, going value, franchise value, depreciation, surplus, unearned increment, etc., are details. The great issue is the nature of value and not the application of the rule of value to particular cases. Great economic and political consequences hinge on the result. An incipient agitation for government ownership of railroads has already appeared, based on the application to unearned increment of one of the present value theories.³³

No certain pronouncement on the nature of value has proceeded from the supreme court. The field is an open one and the commissions are the experimental laboratories. The fiat of commission or court will not long be controlling unless it is fundamentally sound. A rule too strict in its application may result in stagnation of public utility enterprise; one too liberal may plunge the country into a decisive public ownership movement. Value is an economic conception. The valuation rule seems today to be the common point of contact between the equities, respectively, of the public utilities and the public. The fundamental laws of political economy and political science are involved. The issue is one of public policy, not of law. It is one of broad, general, business principle; not of any one of the natural or applied sciences as opposed to all the others.

Valuable contributions to the valuation problem have been made by economists. This calling might well be entitled to serious consideration in a division of commissionerships among the professions. Merely being an economist, however, is no more a qualification for such a position than merely being a lawyer is a qualification for a difficult legal task, or merely being an engineer is a qualification for a specific engineering task. After all, the important consideration is the degree of attainment of the particular individual.

Previous experience as a qualification is like practicality. But what is a "practical" man? Every industry would have its own conception. Most of the commissions have jurisdiction over a wide range of utilities. The list includes at least the following:

³² See "The Vagaries of Valuation," by John H. Gray, in *Am. Econ. Review, Supplement*, March, 1914.

³³ See letter of Clifford Thorne to Senator Kenyon, in the *Congressional Record*, 1914, p. 2223. See also report of Committee on Valuation and discussion thereon, *Proceedings of 25th Annual Convention, National Association of Railway Commissioners*, 1913.

Railroad, steam	Electric central station	Local express and transfer
Railroad, electric	Electric, transmission	Water carriers
Railway, street	Gas	Pipe lines
Express	Water	Cable companies
Telephone	Heating	Fast freight lines
Telegraph	Coal	Refrigerator lines

This list is not necessarily exhaustive. As new accessions come to the field of quasi-public industry it is to be expected that it will be added to. Manifestly, it is impossible to provide places on regulating commissions for men who are "practical" from the standpoint of each.

A candidate for a position should not be disqualified because he is "practical." On the other hand, too, being "practical" is not a sufficient qualification. A man chosen to such a position because he represented a particular point of view might inject into the deliberations of a commission and its entire activities a partisanship which would be anything but desirable.

The truly practical man is the one who is broad enough to comprehend all points of view and to act accordingly.

The scope of the duties of public service commissioners is broad. Doubtless it is impossible to find even one man, not to speak of three, five or seven men, who possesses the breadth of knowledge, the experience and the capacity desirable in the abstract. Regulation of rates, services, accounts, stock and bond issues, intercorporate relations, competition and other activities of a number of industries having state-wide or nation-wide extent is a large task. The least common denominator of this wide range of responsibilities probably is the gathering, correlation and analysis of facts and drawing sound and rational deductions therefrom.³⁴ This implies as a prime qualification the quality of mind that makes a better-than-ordinary diagnostician of a physician and gives us the brilliant lawyer. The greatness of mind which manifests itself in conspicuous leadership in marshalling human and material forces is wanted for the regulation of public utilities. It makes little difference whether this great-

³⁴ For information necessary for working out a schedule of rates for electric utilities, see address of John H. Roemer, chairman of the Railroad Commission of Wisconsin, before the Illinois Gas Association, March 18, 1911. The outline is reprinted in *Regulation of Municipal Utilities*, by C. L. King, p. 194.

ness of mind is produced through the training of a lawyer, an engineer, an accountant, a banker, an economist or a plain business man. It can not be defined by statute nor obtained through statutory enactment.

Conclusions as to Qualifications Needed

1. *Summary of Statutory Requirements.* Statutory requirements on the following subjects are not helpful: Oath, age, political condition, geographical location. Public morals require either a general or special statutory disqualification for private interest in the public utilities regulated. Commissioners should be prohibited from holding other public offices. The prohibition of political activity is sound in principle but ineffective in practice. If commissions are given authority and facilities with which to work, their members will have no time to engage in other businesses. The bi-partisan requirement is rational but not effective alone.

2. *Function of Laws.* The part which the law-makers can play in procuring the needed qualifications is set forth in a subsequent part of this paper. The chief function of the law is to create a condition which will make the positions attractive to men of the right type. The essential qualifications are suggested largely by the discussion of the inadequacy of the special statutory provisions. They are summarized in the following paragraphs.

3. *Physical Capacity.* Members of public utility commissions need to be vigorous physically. The work is large in volume and seems to be increasing rapidly in the commissions which are giving good accounts of themselves. Long working hours are the rule, and few vacations. From the standpoint of the physical strength required to enable one ably to acquit himself as a commissioner, the position is no sinecure.

4. *Aggressiveness.* Public service commissions are administrative bodies. They are charged with duties of constant supervision. They are empowered to initiate all proceedings necessary to accomplish the purposes of the laws. Merely passive enforcement of commission laws will not long command public respect and confidence and serve as a remedy for abuses, alike on the part of the public and the corporations, which it is the purpose of commissions to prevent. Aggressiveness should be found in public service commissioners.

5. *Tact and Resourcefulness.* Corporations are managed by men. The public in its organized capacity is represented by men. The public service commission sometimes acts as a buffer between the two groups of men and sometimes as counsellor and guide to one or the other. In filling these capacities, tact and resourcefulness are essential attributes of the commissioners.

6. *Intelligent Interest in Public Utility Problems.* It is futile to entrust the regulation of public utilities to men who have no intelligent interest in the subject matter. This interest need not have gone so far as to be the basis of a professional or business career, but it should be great enough to have given its possessor a general knowledge of the nature of public utility problems and a real willingness to use his utmost ability to master the subject.

7. *Genius for Research.* Commissions are approaching from one point of view economic and social problems on which the corporation fraternity and individual members of the public have been working for years. The time was when rates and services of public utilities were because they were. Like Topsy, they had just grown. In the last few years corporations have subjected their rates to close analytical scrutiny and in many, if not all cases, rate structures and individual rates are the result of deliberate, constructive and honest endeavor. Just so, honest and careful consideration has been given to the same subjects by members of the public. That conflicts of opinion have resulted, was, and is, inevitable. The public service commission must attack the same problems, not from the standpoint of one or the other of the contending parties, but from the standpoint of the general, public welfare. The commission must adopt a process of scientific analysis, just as the others have done. It must become a practical laboratory of research. Members of the commission should possess a peculiar genius for investigation.

8. *Freedom from Bias.* Strong prejudice usually is a deterrent to a successful career. In any activity it must be distinguished, however, from the commendable qualities of self-confidence and courage in the strength of one's convictions. Men who have shown prejudice or bias on any of the multifarious problems of regulation should not gain access to commissions. They are a menace to the public welfare.

9. *Fairness.* Public service commissioners should be fair. The rules of conduct which they are required to enforce are characterized

by reasonableness, adequacy and consonancy with the public welfare. It is highly significant that the successful commissions of the present day—the commissions which command the respect and confidence not alone of the public but of the public utilities regulated—are characterized on all sides as *fair*. The problem of regulation is not of a day, of a decade, nor of a generation; it is one of years to come and fairness above all things should characterize its beginnings.

10. *Previous Service.* Commissioners who have served their terms honorably and capably should retain their positions. Length of service adds to the ability and efficiency of the incumbent. Displacing a competent commissioner means sacrifice of a valuable resource. The education of new commissioners is costly to all concerned.

11. *Executive Ability.* The chairman of every commission should combine with other qualities that of executive ability. Some of the commissions are in reality large business institutions. Each must have a capable head. Disregard of this policy must inevitably result in inefficient administration.

B. MANNER OF OBTAINING NEEDED QUALIFICATIONS

1. *Manner of Selection.* Public utility commissioners should be appointed by the chief executive. On this point there seems to be substantial unanimity of opinion. Of 169 positions falling within this category, 104, or 61.6 per cent, are appointive. The remaining 65, or 38.4 per cent, are elective. Mere cursory consideration of the qualifications needed should convince one that the electorate is not competent to find and select the best men for these positions. Subordinate positions in the commissions may be filled under civil service rules. It is not likely, however, that any system of promotion will be evolved in the near future for filling, from the ranks, the offices of commissioner. It seems doubtful whether any system of promotion will produce in commissioners the needed qualifications.

2. *Term of Office.* The term of office must be long enough to enable a new commissioner to become acquainted with the duties of the office and to attain a degree of proficiency which will repay him for the early effort. We recall a statement of a member of one of the important commissions that it requires no less than a year

for a new commissioner to be thoroughly broken in. Table I shows the number of terms prescribed by the various statutes today, the range of the several periods and the number of commissioners holding office for the period of each term.

TABLE I.—TERMS OF COMMISSIONERS³⁵

Terms in Years	Number of Commissioners
2	6
3	15
4	23
5	15
6	92
7	7
8	4
10	7
	169

	Years
Maximum.....	10.0
Minimum.....	2.0
Arithmetic average.....	5.63
Weighted average.....	5.48
Mode.....	6.0

From this table it appears that six years is the generally accepted term of office. More than 54 per cent of the 169 commissioners included in this computation hold office for this period. The term surely should be no less than six years and it would be a step in the right direction for the states having shorter terms to provide the 59 commissioners with at least six years of official life.

3. *Salary.* The salaries must be large enough to attract men possessing the needed qualifications. Table II shows the number and range of salaries paid public service commissioners and the number of commissioners receiving each salary.

³⁵ In making this computation all of the state commissions and the Interstate Commerce Commission were included with the exceptions of the commission of the District of Columbia and the Public Service Commission of South Carolina.

TABLE II.—SALARIES OF COMMISSIONERS

Amount of Salary	Number of Commissioners	Amount of Salary	Number of Commissioners
\$1,500	3	\$4,500	5
1,700	2	5,000	16
1,900	3	5,500	5
2,000	8	6,000	18
2,200	4	7,500	3
2,500	12	8,000	4
3,000	22	8,500	1
3,200	1	10,000	18
3,500	7	10,500	1
3,600	1	15,000	10
4,000	25		169

Maximum.....	\$15,000
Minimum.....	1,500
Arithmetic average.....	5,209
Weighted average.....	5,362
Mean.....	4,000
Mode.....	3,000-4,000
Number receiving more than weighted average.....	60
Number receiving less than weighted average.....	109

The minimum salary is \$1,500 a year and the maximum \$15,000. The arithmetic average is \$5,209 and the weighted average \$5,362. The mean is \$4,000 and the mode lies between \$3,000 and \$4,000. These figures indicate that under existing conditions most of the salaries are extremely small in comparison with corporation salaries. In fact, only 60 of the 169 commissioners receive more than the weighted average while 109 receive less.

The precise amount which should be paid is not susceptible of mathematical determination. It is quite evident that a salary less than \$5,000 cannot be expected to attract men of the high caliber desired. Commissioners possessing the proper qualifications would seem entitled to salaries at least as large as those paid members of the highest state court.

4. *Political Interference.* Commissioners should be free from political interference. Terms of office should overlap so that no complete change in the personality of the commission will occur in a single year. This is an element of protection for the capable commissioner.

Appointments to subordinate positions should be at the discretion of the commission unless they are under civil service. No objection seems to exist to the application of civil service rules except, perhaps, in the case of responsible department heads or experts. Appointments made by the commission should not be subject to executive approval or disapproval.³⁶ Otherwise the way is laid for political interference. Similarly, within appropriations made, the commission should fix the compensation of its employees at its own discretion.³⁷

All foreseen possibilities of political interference should be avoided in the law. Otherwise it is difficult to make the positions attractive to men of the right caliber.

5. *Facilities Afforded Commission.* Legislators must make ample provision for working equipment, employees and other facilities. Commissioners cannot perform their duties unaided. They should have ample means at their disposal and a large measure of discretion as to the use of such facilities. It is the practice of some legislators to make minute divisions of appropriations for commission purposes. This destroys flexibility. It would seem preferable to give the commission free rein within the limit of the aggregate appropriation. Similarly some legislatures limit the number of employees and fix by statute the compensation of each. Such a practice fails to take into consideration the varying needs of the commissions.³⁸

Some of the work of the commissions is expensive. Valuations, for instance, run rapidly into money. Where a valuation is essential to the determination of a case the valuation should be made,

³⁶ The Illinois public utilities commission law of 1913 provides that the commission shall have power "upon consultation with and the approval of the governor" to appoint or employ additional employees as it may deem to be necessary to carry out the provisions of the act. See sec. 3.

³⁷ Section 5 of the Illinois law provides that all employees of the commission shall receive the compensation fixed by the commission subject to the approval of the governor.

³⁸ The Missouri public service commission act of 1913 provides that all persons appointed by the commission shall receive a compensation fixed by the commission, but that no clerk, agent, special agent, examiner, auditor, inspector or other employee shall receive a salary or compensation exceeding \$150 per month and no stenographer shall receive a salary or compensation exceeding \$100 per month. Commissioners possessing the proper qualifications could be trusted not to waste appropriations in extravagant salaries.

otherwise discredit is brought on the system of regulation, the commission and the commissioners themselves. Men possessing the desired qualifications will hesitate to assume responsibilities for the discharge of which they are not provided with adequate facilities.

6. *Educational Aids.* In the long run some progress can be made towards equipping men for these positions by special courses of instruction in schools, colleges and universities.³⁹ Systematic distribution of authentic information on various phases of the subject assists directly by elevating the general standard of knowledge on the subject of public utility regulation. Voluntary associations of public utility employees, boards of trade, chambers of commerce, professional associations and other organizations of a similar type offer a forum for the discussion of public utility problems and frequently a means for coming in actual contact with the application of commission laws. The commissions themselves are doing much in an educational way through the medium of opinions rendered in deciding cases.

7. *Sustained Public Interest.* Nothing is more effective in obtaining the needed qualifications than an active and sustained public interest in regulation. A healthy public interest adds materially to the honor of the position and quickens the right kind of competition for preferment. Sound public opinion will do more to procure the qualities of mind and body than tomes of statutes. Such an interest will react favorably on the appointing and confirming powers. All the multifarious factors entering into the cultivation and maintenance of an active public interest should be kept in operation.

8. *Function of the Law-maker.* The chief function of the law-maker in procuring the needed qualifications for public utility commissioners is so to legislate as to make the positions attractive. As to the powers themselves, little need be said. In most cases they are large enough to stimulate the imagination and ambition of men far above the average in mental capacity and achievement. The same, however, cannot always be said about the conditions under which

³⁹ See excellent "Preliminary Report of the Committee on Practical Training for Public Service," in the Proceedings of the Am. Pol. Science Assn., Tenth Annual Meeting, 1913, published as supplement to *The American Political Science Review*, February, 1914. This report points the way to practical experience in public affairs under the auspices and direction of the university.

the duties are to be performed. Let the legislator, then, provide a rational method of selection! Let him provide a term of office and a salary that will be attractive! Let him provide adequate facilities for carrying on the work of the commission and let him make political interference improbable, if not impossible! Then let our educational forces begin their work, and, finally bring a healthy public interest in regulation to bear on the commissionerships! The problem of obtaining the needed qualifications for public utility commissioners then will be greatly simplified, if not entirely solved.